

BUSINESS OPPORTUNITY

CC-EVER001-16

Department of the Interior

National Park Service
Everglades National Park

**A Concession Business Opportunity to Operate
Lodging, Camping, Tour Boat, Food and Beverage,
Retail, and Other Services
within the Flamingo and Long Pine Key Districts**

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INTRODUCTION

The National Park Service ("Service") intends to award a concession contract at Everglades National Park ("Park") to provide lodging, tour boat, food and beverage, retail and other services. This Prospectus describes in general terms the existing business operations and the future business opportunities for the facilities and services required by the Service. Offerors must review all sections of this Prospectus and, specifically, the terms and conditions of the Draft Concession Contract, CC-EVER001-16 ("Draft Contract"), including its exhibits, to determine the full scope of a future concessioner's responsibilities under the Draft Contract.

The Service is conducting this solicitation in accordance with the National Park Service Concessions Management Improvement Act of 1998 (P.L. 105-391), as implemented by regulations in 36 C.F.R. Part 51. The term "Concessioner" as used in this Prospectus refers to the entity that will be the Concessioner under the Draft Contract. The term "Existing Concessioner" refers to Everglades National Park Boat Tours Two, the concessioner under the current Concession Contract, CC-EVER002-08 ("Existing Contract"). A copy of 36 C.F.R. Part 51 is included as an appendix to this Prospectus.

In the event of any inconsistency between the terms of this Prospectus and 36 C.F.R. Part 51, 36 C.F.R. Part 51 will control. In the event of any inconsistency between the description of the terms contained in this Prospectus and the Draft Contract, the attached Draft Contract will control.

THE NATIONAL PARK SERVICE AND ITS MISSION

In 1916, President Woodrow Wilson approved legislation creating the National Park Service within the Department of the Interior. That legislation mandated that America's National Park Service was created by Congress to:

...conserve the scenery and the natural and historic objects and the wild life therein and to provide for the enjoyment of the same in such a manner and by such means as will leave them unimpaired for the enjoyment of future generations. (54 U.S.C. § 100101(a))

Additionally, Congress declared that the National Park System should be:

...preserved and managed for the benefit and inspiration of all the people of the United States. (54 U.S.C. § 100101(b))

The Service has as its overall mission the preservation and public enjoyment of significant aspects of the nation's natural and cultural heritage. To learn more about the National Park Service, visit www.nps.gov. This site includes information about the Service's mission, policies, and information on individual park units.



EVERGLADES NATIONAL PARK

Established in 1947, Everglades National Park's original boundaries contained 460,000 acres. The Park now includes over 1.5 million acres, including most of Florida Bay, and stretches more than sixty miles north-to-south and forty miles east-to-west. It holds the largest expanse of designated wilderness east of the Rocky Mountains.

Popular visitor activities include canoeing, camping, boating, wildlife observation, and fishing. The Park has 156 miles of trails including five miles of surfaced trails, one mile of elevated boardwalk trails, and several canoe trails. The Park also has five visitor centers (including one at Flamingo), a research facility, and two environmental education camps.

Flamingo, the largest developed area within Everglades National Park, is where the sawgrass hammock ecosystem meets the mangroves and the saltwater of Florida Bay. Flamingo is located at the southernmost mainland point at the end of a 38-mile paved road that extends southwest from the main visitor center near Homestead, Florida.



Current visitors to Flamingo can stay in the park overnight in the campgrounds, eat freshly prepared meals in the screened in dining area of the Buttonwood Café, canoe the nearby canoe trails, or take a boat tour up the Buttonwood Canal or onto Florida Bay. Visitors have the opportunity to see manatees and an amazing array of birds. Visitors can rent skiffs, kayaks or houseboats and fish in Florida or Whitewater Bay for various game fish. They can hike the Coastal Prairie Trail and watch shorebirds. Adventurous visitors can take a multi-day backcountry trip by boat on the Wilderness Waterway spanning 99 miles starting from the nearby Whitewater Bay, crossing the mangrove trails, and ending in Everglades City on the Gulf Coast. The term "Flamingo" will be used throughout the Prospectus to describe the location of this concession opportunity.

The Long Pine Key campground is located in the Pine Island district of Everglades near the Homestead entrance to the park and near the surfaced Anhinga and

Gumbo Limbo Trails.

Everglades is the only national park with the designations of International Biosphere Reserve, World Heritage Site, and Wetland of International Importance, which bring increased economic benefits from international tourism.

The elevation of the Park ranges from 0 to 8 feet, with an average elevation of 6 feet. Annual rainfall averages 60 inches per year and is concentrated in the May through September rainy season. The average high temperature in winter is 77 degrees Fahrenheit, and the average high temperature in summer is 87 degrees. Flamingo has an average elevation of four feet above sea level.



The Everglades are an integral part of the South Florida Ecosystem, an 11,000 square mile region extending from the Kissimmee River near Orlando to the Florida Keys. Originally a vast expanse of wetland, pineland, wilderness, mangroves, and coastal islands, this is one of the continent's most highly populated and environmentally manipulated regions. The four national park units of South Florida (Everglades National Park, Big Cypress National Preserve, Biscayne National Park, and Dry Tortugas National Park) protect about 2.5 million acres that embody some of the best and most complete examples of the natural and cultural history of South Florida.



Additional information about the Park can be found at <http://www.nps.gov/ever>.

The following is an overview map of Everglades National Park and the surrounding area. The Flamingo developed area is in the vicinity of the Flamingo Visitor Center and the Long Pine Key campground is in the Long Pine Key area on this map.

Exhibit 1. Map of Everglades National Park and Surrounding Area



Source: National Park Service



CONCESSION OPPORTUNITY

Concession Overview

During the first three to five years of the Draft Contract, the operation at Flamingo will expand and return to the destination location it was for much of its history. The Concessioner will add 24 new lodging units and a new restaurant overlooking Florida Bay. It will rent several houseboats and camper trailers and install 20 innovative tent-frame cabins called eco tents.

Flamingo has always been a popular destination for visitors to south Florida, The bird life and wildlife draws people from around the world. By 1960, the Service had constructed a visitor center, lodge, marina, campgrounds, employee housing, and other support facilities at Flamingo. From then until the lodging facilities were largely destroyed by hurricanes Katrina and Wilma in 2005, Flamingo provided services and facilities to a growing visitor population, providing both day use and overnight accommodations. The Flamingo and Long Pine Key campgrounds survived the 2005 hurricanes and are currently operated by the Service.

Currently, Flamingo has limited visitor services. The Existing Concessioner operates the Marina Store where it provides retail sales (gifts, camping supplies, and groceries) and fuel sales (marine and automobile), rental of boat slips, houseboats, skiffs, canoes, and kayaks and offers boat tours of Florida Bay and Whitewater Bay. The Concessioner also provides seasonal food & beverage service at the Buttonwood Café.

Required and Authorized Services

Lodging

The Park currently has no lodging accommodations although it has two campgrounds. Under the Draft Contract, the Concessioner must construct and operate 24 elevated cottages and 20 eco-tents as described in the Concession Facility Improvement Plan (CFIP) described further in this Business Opportunity. In addition and subject to prior approval by the Service, the Concessioner may construct and operate an additional 16 elevated cottages and an additional 20 eco-tents.

Camping

The Concessioner will operate the Flamingo and Long Pine Key campgrounds, currently operated by the Service. The Flamingo Campground will offer 66 RV sites (41 of which offer electrical hookups), 55 drive-in tent sites, 60 walk-in tent sites, and 3 walk-in group sites, for a total of 184 campsites. The Concessioner will operate and maintain restroom and shower facilities, dump stations, picnic tables and grills. The Concessioner will be required to purchase and place 5 camper trailers and/or RVs in the campground to rent as lodging.

The Long Pine Key Campground has 108 drive-in sites for tents and RVs, including one group site. The Concessioner will operate and maintain the restrooms, water, and dump station. This campground has no showers or electrical hookups.

The Concessioner may offer tent rental packages and site setup service at Long Pine Key and Flamingo campgrounds as an authorized service.

Boat Tours

The Concessioner will provide boat tours consisting of

- the Whitewater Bay Tour, which visits the interior waterways of the Everglades and features the mangrove forest and sightings of crocodiles, dolphins and birds; and



- the Florida Bay Tour, which explores the shallow, open water of Florida Bay and often features dolphin, ray and wading bird sightings.

The Existing Concessioner offers the Whitewater Bay Tour year-round and the Florida Bay Tour during winter months and on Fridays and weekends mid-April through mid-December. Both tours run approximately 1.75 hours each. The Existing Concessioner uses three 40'-45' Corinthian catamaran passenger barges with capacities of approximately 50 passengers each. The NPS will assign a 40' Corinthian catamaran to the Concessioner. The Service assumes that the Concessioner will operate the same or similarly designed tour boats as the Existing Concessioner does.

Food and Beverage

Prior to the destruction of the former facilities, the food and beverage department at Flamingo consisted of two operations. Neither facility is in operation now.

The Existing Concessioner operates a food and beverage outlet (called the Buttonwood Café) using a canteen trailer for food preparation, and the screened-in ground floor patio of the Flamingo Visitor Center as a seating area. Current seating capacity within the screened area is approximately 60 guests. An adjacent outdoor picnic area provides additional seating. The Buttonwood Café operates mid-December through mid-April.

The Concessioner will construct and operate a new elevated restaurant/retail building near the new lodging cottages (see Exhibit 4). The new building will be approximately 4,000 square feet in size for providing food and beverage service and retail space. Prior to constructing and opening the new building for food and beverage service, the Concessioner will provide the food and beverage service in the Buttonwood Café space from a mobile food preparation vehicle, similar in kind and scope to the existing service. Once the new restaurant opens for business, the Concessioner would no longer operate the Buttonwood Café. In addition to food and beverage services, the new restaurant facility will contain space for overnight accommodation check-in and may provide retail sales.

As part of the updated food and beverage concept under the Draft Contract, the Concessioner may provide food and beverage room service to the lodging cottages, eco-tents, and campground sites.

Retail

The Concessioner will sell gifts, souvenirs, camping supplies, and groceries at the Marina Store. Other operations in the Marina Store include boat tour ticket sales and rentals mid-April through mid-December. As described above, the new restaurant/retail building will provide additional space for retail operations.

Fuel Sales

The Concessioner will sell gasoline and diesel for automobiles and marine vessels within the Marina Store Area.

Marina Operations

Marina services will include gasoline and diesel sales for marine vessels and boat slip rentals. In addition, the Concessioner will provide and rent at least 2 houseboats that sleep a minimum of 6 guests each. The Concessioner may provide fish cleaning and freezing service at the Marina.

Rentals

The Concessioner will rent boat slips in the Florida Bay marina, as well as bicycles, canoes, kayaks, and skiffs at the Marina Store Area.



Boat Portage Service

The Concessioner will provide boat portage service between Florida Bay and Whitewater Bay via a trailer service. The Service will provide a universal boat trailer to the Concessioner for this purpose.

Employee Housing

The Service will assign the Concessioner two dormitory buildings for employee housing with a total capacity of approximately 24 employees. The Service also will assign the Concessioner 16 trailer pads with hookups for employee housing. Finally, the Concessioner may provide RVs for additional employee housing. The Service will assign two existing travel trailers for managerial housing. Finally, the Service will assign a National Park Service apartment to the Concessioner for use by the general manager.

Required Services

The Draft Contract requires the Concessioner to provide the services listed in the following exhibit.

Exhibit 2. Required Services in the Draft Contract

Required Service	Location
Lodging	Flamingo
Camping	Flamingo and Long Pine Key
Boat Tours	Florida Bay and Whitewater Bay
Food & Beverage	Flamingo
Retail	Flamingo
Fuel Sales	Flamingo
Equipment Rentals	Flamingo
Marina Services including Houseboat Rentals	Flamingo
Boat Portage Service	Flamingo

Source: National Park Service

Authorized Services

The Concessioner, at its option and with the prior approval of the Service, may provide the authorized services listed in the following exhibit.

Exhibit 3. Authorized Services

Service	Location
Lodging	Flamingo
Guided Fishing, Canoeing, and Sailing	Florida Bay and Whitewater Bay
Fish Cleaning and Freezing	Flamingo
Visitor Shuttle To Canoe Launch Sites	Flamingo
Mobile Food Service	Long Pine Key
Special Events	Flamingo and Long Pine Key
Chase/Tow Boat Service	Flamingo
Camping Set-up	Flamingo and Long Pine Key

Source: National Park Service



The following is an overview map of the Flamingo area showing proposed location of cottages and eco-tents.

Exhibit 4. Map of Flamingo Area



Source: National Park Service

UTILIZATION AND OPERATING DATA

Historical Revenues

The following exhibit shows historical revenue from the operations under the Existing Contract (no lodging or campgrounds).

Exhibit 5. Historical Revenue

	2011	2012	2013
Total Revenue	\$1,626,411	\$1,726,947	\$1,804,425

National Park Service

The following exhibit presents a breakdown of revenue by department during the year 2013.

Exhibit 6. Departmental Revenue, 2013

Department	Revenue	Share
Food and Beverage	\$470,623	26.1%
Souvenirs & General Merchandise	\$96,952	5.4%
Marina	\$105,630	5.9%
Guided Tours & Rentals	\$1,131,220	62.7%
Total	\$1,804,425	100%

Source: National Park Service

The next exhibit presents average gross annual revenue by department during 2000-2004, prior to the hurricanes in 2005. That operation included 127 lodging rooms prior to October 2002 and 98 rooms from October 2002 through September 2005. Although the future lodging operations differ in several respects, this information indicates a demand for lodging and upgraded food and beverage exist at the location.

Exhibit 7. Average Gross Revenue by Department, 2001-2004

Department	Average Revenue (2000-2004)	Share
Lodging	\$1,573,000	31.1%
Food & Beverage	\$905,000	18.0%
Retail	\$1,147,000	22.7%
Boat Tours	\$495,000	9.8%
Fuel	\$207,000	4.1%
Marina/Rentals	\$460,000	9.1%
Other	\$265,000	5.2%
TOTAL	\$5,052,000	100%

Source: National Park Service

The following exhibit presents the average number of occupied rooms per night and per month at the Flamingo Lodge between 2001 and 2003. The lodge operated near capacity during the months of February and March and experienced high levels of occupancy in December, January, and April.



Exhibit 8. Average Number of Occupied Rooms at the Flamingo Lodge, 2001-2003

Month	Occupied Rooms per Night	Occupied Rooms per Month
January	81	2,523
February	92	2,587
March	105	3,240
April	79	2,376
May	32	989
June	22	660
July	18	546
August	20	614
September	21	627
October	22	682
November	47	1,419
December	85	2,626

Source: National Park Service

Camping Revenue

The Service currently operates the Flamingo and Long Pine Key campgrounds. The Service currently closes the campground from June through November of each year. The Concessioner may operate the campgrounds year-round. The Service does not charge fees from June through November due to low demand and the relatively uncomfortable camping conditions (largely related to the weather and mosquitoes). Current Service camping rates for tent and RV sites at both campgrounds are \$20.00 per person per night. Rates for the 41 sites with electrical hookups are \$30.00 per site. Group sites are \$30.00 per night. These rates reflect an increase approved in early 2015.

The next two exhibits present campground utilization from 2009 to 2013 for Flamingo and Long Pine Key Campgrounds, respectively, as represented by the total number of overnight stays.

Exhibit 9. Overnight Stays at the Flamingo Campground, 2009-2013

	Tent	RV	Group	Total	% Change
2009	13,196	10,932	1,680	25,808	20.5%
2010	11,514	11,426	2,448	25,388	-1.6%
2011	11,256	13,062	2,854	27,172	7.0%
2012	14,324	18,226	5152	37,702	38.8%
2013	16,363	16,720	3,024	36,107	-4.2%

Source: National Park Service

Exhibit 10. Overnight Stays at the Long Pine Key Campground, 2009-2013

	Tent	RV	Group	Total	% Change
2009	5,416	10,188	564	16,168	18.1%
2010	5,998	10,788	624	17,410	7.7%
2011	5,304	8,324	381	14,009	-19.5%
2012	6,380	7,940	923	15,243	8.8%
2013	5,172	7,466	604	13,242	-13.1%

Source: National Park Service

The next exhibit shows the seasonal use of the Flamingo Campground in 2013. Long Pine Key has a similar seasonal pattern.



Exhibit 11. Sites Occupied by Month, Flamingo Campground, 2013

Month	Tent	RV	Group	Total	Share
Jan.	1,415	1,948	68	3,431	25.2%
Feb.	1,544	2,036	44	3,624	26.7%
March	1,618	1,380	82	3,080	22.7%
April	85	213	0	298	2.2%
May	156	62	0	218	1.6%
June	80	17	0	97	0.7%
July	71	26	0	97	0.7%
Aug.	21	18	0	39	0.3%
Sept.	25	7	0	32	0.2%
Oct.	54	16	0	70	0.5%
Nov.	344	339	3	686	5.0%
Dec.	1,131	774	19	1,924	14.2%
TOTAL	6,544	6,836	216	13,596	100.0%

Source: National Park Service

The next exhibit presents total combined campground revenue for the Service at Flamingo and Long Pine Key Campgrounds over the past four years.

Exhibit 12. Flamingo and Long Pine Key Campground Revenue

Year	Revenue
2009	\$248,815
2010	\$272,546
2011	\$278,833
2012	\$290,651
2013	\$345,100
2014	\$279,675

Source: National Park Service

The Proposal Package (Part III of this Prospectus), which Offerors must complete and submit as part of this solicitation, requires Offerors to develop financial projections based on the business to be operated. To assist Offerors in the development of these projections, the Service presents information regarding historical utilization, operating data, and financial projections, based on an assumed Draft Contract effective date of May 1, 2016. Please note that the Service's financial and operating projections are only estimates based on Service assumptions that were developed taking into account publicly available historical data, industry standards, other comparable information from other facilities, and the Existing Concessioner's Annual Financial Reports.

Some or all of the Service's estimates or projections may not materialize and unanticipated events may occur that will affect these estimates and projections. Offerors are responsible for producing their own financial analyses and future financial projections and may not rely on the Service's estimates of projections. The Service does not warrant, and assumes no liability for, the accuracy of the financial projections or estimates contained in this Prospectus.

Future Revenue Estimates and Utilization Projections

Appendix C to this Prospectus includes projected approved (maximum) rates for 2016 by lodging type and by season. The Service estimates prices for concession services will increase at the rate of inflation, assumed to



be approximately 2.4% per year. For the following estimates, the Service assumes the Concessioner will have all Required lodging and food and beverage services operational on or before September 30, 2018. Exhibit 13 provides projected capacities and operating statistics based on the first full operating year of 2019.

Exhibit 13. Projected Capacities and Operating Statistics (2019)

Lodging	Projected Ranges
Occupied Cottages	7,300-7,800
Average Daily Rate for Cottages (ADR)	\$150-\$170
Occupied Eco-Tents	2,300-2,800
Average Daily Rate for Eco-Tents (ADR for 5 month high season)*	\$85-\$95
Boat Tours	Projected Ranges
Number of Passengers	34,000-38,000
Average Revenue Per Passenger	\$30-\$35
Food and Beverage	Projected Ranges
Number of Restaurant Covers	35,000-40,000
Average Check Per Cover	\$15-\$20
Retail	Projected Ranges
Gift & Souvenir Square Footage (Marina Store and Restaurant Retail)	600
Revenue Per Square Foot	\$450-\$480
General Merchandise (Grocery) Square Footage	1,000
Revenue Per Square Foot	\$400-\$440
Camping	Projected Ranges
Occupied RV Spaces—Flamingo and Long Pine Key	7,000-8,000
Average Daily Rate for RV Sites (ADR)	\$28-\$33
Occupied Tent Spaces—Flamingo and Long Pine Key	7,000-8,000
Average Daily Rate for Tent Sites (ADR)	\$18-\$23
Occupied Concession Recreational Trailers	900-1,200
Average Daily Rate for Recreational Trailers (ADR)	\$75-\$85

Source: National Park Service

* Low season eco tent occupancy is expected to be nearly zero.



Exhibit 14 provides departmental revenue projections for the first full year of operations in 2019.

Exhibit 14. Projected Revenue by Department, 2019

Department	Projected Range
Lodging	\$1,300,000-\$1,600,000
Boat Tours	\$1,000,000-\$1,350,000
Food and Beverage	\$525,000-\$800,000
Retail (Souvenirs and Groceries)	\$670,000-\$730,000
Camping	\$390,000-\$550,000
Rentals	\$250,000-\$450,000
Fuel	\$250,000-\$450,000
Boat Transfer Service, Portage	\$0-\$100,000
Total Revenue	\$4,385,000-\$6,030,000

Source: National Park Service

Expenses

The Service projects that most departmental and indirect expenses will be within the high-end of industry averages.

Utilities

The Service will provide water and sewage treatment services under the Draft Contract. Please refer to the Operating Plan, Exhibit B of the Draft Contract, for more information. The Service determines utility rates using *NPS Director's Order 35B, Cost Recovery for NPS-Provided Utilities*. DO 35B requires the Service to recover costs from non-NPS users (including concessioners) for utility-related cyclic repairs, cyclic rehabilitation, and capital improvements to the utility system. For additional information, see DO 35B, included as Appendix I to this Prospectus.

The Service provides water and wastewater services to the current Concessioner with usage monitored by water meters. In 2013, the Service cost to produce water and wastewater was \$11.32 per thousand gallons of water and wastewater used. The Existing Concessioner used 1.1 million gallons of water and wastewater during the 2013 calendar year at a total billed cost of \$12,434.36. In 2014, the Service cost to produce water and wastewater was \$11.32 per thousand gallons of water and wastewater used. The Existing Concessioner used 1.0 million gallons of water and wastewater during the 2014 calendar year at a total billed cost of \$11,085.21.



INVESTMENT AND OPERATIONS ANALYSIS

The next exhibit shows the Service's estimate of the Concessioner's required initial investment at the commencement of the Draft Contract in 2016 dollars. This includes new construction, personal property, inventory, deferred maintenance, start-up costs and working capital (staff hiring, training, etc.).

Exhibit 15. Estimated Initial Investment

Item	Estimated Amount (2016 Dollars)
Concession Facilities Improvement Program (New Construction)	\$5,350,000
Leasehold Surrender Interest	\$0
Personal Property	\$1,366,000
Inventory Investment	\$87,000
Deferred Maintenance (2016 and 2017)	\$347,000
Start-up Costs and Working Capital	\$307,000
TOTAL	\$7,457,000

Source: National Park Service

Concession Facilities Improvement Program (New Construction)

The Concessioner must undertake and complete a Concession Facilities Improvement Program (CFIP) costing no more than \$6 million and no less than \$5 million. If the Concessioner demonstrates to the Director that it can build the facilities at or exceeding the quality required by the Director for less than the minimum amount required for the project, the Director may relieve the Concessioner of the requirement to expend the minimum amount identified. The CFIP includes construction of 24 new elevated cottages, construction of foundations for 20 eco-tents, construction of an elevated restaurant to contain retail space and an overnight accommodation check-in area not to exceed 4,000 square feet, and associated utilities upgrades, and other infrastructure, landscaping, and site work. The elevated cottages will be located near the site of the previous lodge, the eco-tents will be located in the walk-in campground, and the restaurant will be located near the elevated cottages. The Concessioner should factor service areas (service laundry, linen storage, etc.) in its construction design. These cost estimates include the personal property required to operate the facilities. Please refer to Exhibit 4 above for details of these locations.

Exhibit 16. Estimated CFIP Construction Cost*

Description	Total Estimated Net Construction Cost
Studio Guest Cottages (4)	\$393,000
1-bedroom Guest Cottages (12)	\$1,388,000
2-bedroom Guest Cottages (8)	\$1,106,000
Cottage Area Infrastructure and Site work, ADA Ramp	\$768,000
Eco-tent Foundations (20) (<i>tents are personal property</i>)	\$102,000
Eco-tent Area Infrastructure and Site work	\$195,000
Maintenance Area Storage Unit	\$41,000
Restaurant with Retail and Lodging/Campground Check-in	\$1,320,000
Total Net Construction Cost	\$5,345,000

Source: National Park Service

*Amounts do not include personal property.



Guest Cottages

As stated above, the Concessioner must construct 24 elevated cottages near the site of the former Flamingo Lodge (to the east side of the visitor center parking lot). Of the 24 cottages, 4 will be studio units (approximately 300 square feet), 12 will be one-bedroom units (450 square feet), and 8 will be two-bedroom units (600 square feet). Each cottage will have a deck, bathroom, kitchenette and dining area. The cottages may be grouped in clusters of two to four units to take advantage of common stairways and infrastructure.

The Concessioner must design and site the cottages to withstand hurricane-force winds (146 mph per Miami-Dade county building code) with at least 1 of the cottages accessible. The Concessioner must place the cottages on 10- to 12- foot pilings for protection from potentially damaging storm surges. The finished first-floor elevation for these units must be approximately 16 feet above sea level based on available FEMA map data. Ground level at this location is 4 feet above sea level. They must be modular and potentially able to be re-located to a new site at such time as sea level or coastal conditions may warrant. They may be clustered in groups of two to four to take advantage of shared stairways and infrastructure.

The Proposal Package (Part III of this Prospectus) requires Offerors to provide their designs for the guest cottages. The Service has researched several types of building materials and methods, including steel framing, structural panels made of wood, cement board, or galvanized steel, as well as concrete modular construction. Interested parties should not limit themselves to these options, but, as set out above, the cottage design proposed must be hurricane-resistant and blend with built infrastructure and natural environment. Concept drawings are provided in Appendix Q Maps and Drawings from the Flamingo Master Plan. Offerors should refer to the Appendices for additional information (Appendix J – Utility System Information, L – 2012 Hurricane Plan, M – Flamingo Mission 66 District, N – Flamingo Historic Structures Report Part 7, O – Flamingo Historic Structures Report Part 8, and P – Flamingo Cultural Landscapes Inventory.)

The Concessioner must develop the utility connections (water, wastewater, and electrical) to the existing utility lines in the cottage area.

Restaurant

The CFIP requires the Concessioner to construct an elevated restaurant in the cottage area that will include limited retail space and lodging/campground check-in. The Service anticipates the facility will be 4,000 square feet.

Eco-Tents

As part of the CFIP, the Concessioner also must provide, install and operate 20 eco-tents (sturdy tent cottages on platforms, with amenities including beds, chairs, a dresser, and an electric light and fan) in the eco-tent area during the first year of the Draft Contract. The Concessioner will construct at least 1 accessible eco-tent. As part of this project, the Concessioner will complete site work (electrical connections, landscaping and trails). The location of the eco-tent site features impressive views of Florida Bay. Guests staying in the eco-tents will use existing comfort stations (including showers) in that campground. Eco-tents will fill a niche between camping and cottage lodging for guests who desire a more rustic Park experience without having to provide their own camping gear.

The Service is interested in using an eco-tent design (including platforms and structures) presented by the University of Miami. Conceptual designs are included in Appendix R – Eco-Tent Conceptual Design. Additional site and tent concepts are presented in Appendix Q – Maps and Drawings Flamingo Master Plan. Offerors, however, have some flexibility within this design concept. For example, eco-tents may feature sturdy aluminum, wood, or composite framing and a canvas or similar covering. The interior space of each eco-tent must be at least 120 square feet and the total platform area (including a deck) for each eco-tent must be at least 150 square feet.



The Concessioner will dismantle and store most of the eco-tents from May through October (historically low visitor months) and reassemble them before November. Platforms may stay in place year-round.

Eco-tents must have enough electrical power to operate lighting and a fan. The Concessioner may develop the electrical connections to existing power or, given the small projected electrical loads, small solar panels or batteries may be a feasible choice for powering the eco-tents.

Additional Cottages and Eco-Tents

The Concessioner is authorized to construct up to 40 cottages and 40 eco-tents contingent on design approval by the Service, and must comply with accessibility requirements.

Maintenance Area Storage Unit

The Concessioner must construct or install a storage unit in the maintenance area at Flamingo to protect the eco-tents and other personal property when not in use. The Service estimates that the structure will need to be approximately 1,500 square feet and will require an investment of around \$40,000, including the structure itself, the foundation, and installation labor. The structure must meet applicable hurricane building codes and be hurricane resistant.

Leasehold Surrender Interest (LSI)

LSI is defined in the Contract and its associated exhibits. There is no LSI in the Existing Contract.

Personal Property and Inventory Investment

The Service estimates the Concessioner will acquire personal property to operate the required services at a cost of approximately \$1,366,000 in 2016 dollars. This estimate includes personal property and inventory for existing visitor services and general concession administration and support, such as furniture, fixtures, and equipment. The Existing Concessioner is not required to sell the personal property it uses in operations to the Concessioner.

The Service assumes that the Concessioner will operate the same or similarly designed tour boats as the Existing Concessioner.

Deferred Maintenance

The Concessioner must complete all deferred maintenance (DM) for all real property assets assigned under the Draft Contract in the first two years of the Draft Contract. The Service estimates the cost of such projects at approximately \$339,000.

While the Service has estimated DM costs, Offerors may not rely on this estimate and instead must develop their own estimates. In addition, the Concessioner must complete the DM to the satisfaction of the Director even if the actual costs exceed the estimate provided by the Service in this Prospectus. The Service does not warrant the estimate, but includes it to provide a reasonable expectation of the investment associated with this requirement.

The Service is responsible for major repairs associated with repaving (the marina parking area, concession maintenance yard, employee housing areas, and the Flamingo and Long Pine Key campgrounds) and for replacing the seawall at Flamingo.

Start-Up Costs and Working Capital

At the start of the Draft Contract, the Concessioner will make typical one-time investments covering a range of activities in order to ramp up operations.

Minimum Wage

The minimum wage for federal contractors established by Executive Order 13658 and 29 CFR Part 10 will apply to the Draft Contract and is included in the analysis of the minimum franchise fee. In estimating the minimum wage requirements of the Draft Contract and their impact on the minimum franchise fee, the Service estimated the Consumer Price Index for All Urban and Clerical Workers, U.S. City Average ("CPI-W") will increase annually by two and four tenths percent (2.4%) over the term of the Draft Contract. As stated in 29 CFR Part 10, the actual minimum wage for federal contractors during the term of the Draft Contract will be evaluated each year by the United States Department of Labor based on the annual change in the CPI-W.

Repair and Maintenance Reserve

The Draft Contract requires the Concessioner to establish a Repair and Maintenance Reserve for repair and maintenance projects non-recurring within a seven-year time frame. The Service estimates the contribution to this fund at approximately zero point seven percent (0.7%) of gross receipts per year dedicated to this reserve account.

Examples of projects that may be funded from the Repair and Maintenance Reserve (with the prior approval of the Service) include repair or replacement of foundations, building frames, window frames, sheathing, subfloors, drainage, rehabilitation of building systems such as electrical, plumbing, built-in heating and air conditioning, roof replacement and similar projects. No ownership, LSI, or other compensable interest will arise as a consequence of the expenditures of Repair and Maintenance Reserve funds.

Franchise Fee

The Service estimates a minimum franchise fee of approximately two and nine-tenths percent (2.9%) of the annual gross receipts for the preceding year. Offerors, however, may propose a higher minimum franchise fee.

Contract Term

The term of the Draft Contract is twenty (20) years, the maximum length allowed by law. This term reflects the challenges with restarting the lodging operations and rebuilding the food and beverage and retail operations. The Service estimates a beginning date of May 1, 2016. If the Concessioner fails to complete the CFIP to the satisfaction of the Director within the time specified, then this Contract shall be for the term of five years until its expiration on or about April 30, 2021.



PARK VISITATION INFORMATION

The next exhibit presents historical recreation visitation trends at the Park over the period 2009 to 2013. This data provides the best available estimate of the overall trend in visitation to the Park.

Exhibit 17. Everglades National Park Visitation, 2009-2014

Year	Total Visitation	% Change
2009	900,882	9.6%
2010	915,538	1.6%
2011	934,351	2.1%
2012	1,141,906	22.2%
2013	1,049,125	-8.1%
2014	1,110,901	5.9%

Source: National Park Service

In 2014, the total number of visitor contacts at the Flamingo Visitor Center was approximately 136,000 out of the total Park visitation that year of 1,110,901 visitors. The Park estimates that approximately half of visitors who travel to Flamingo go to the visitor center, so an estimated 272,000 people visited the Flamingo area in 2014.

Seasonality of Visitation

Exhibit 18. Everglades National Park Average Monthly Visitation, 2008-2013

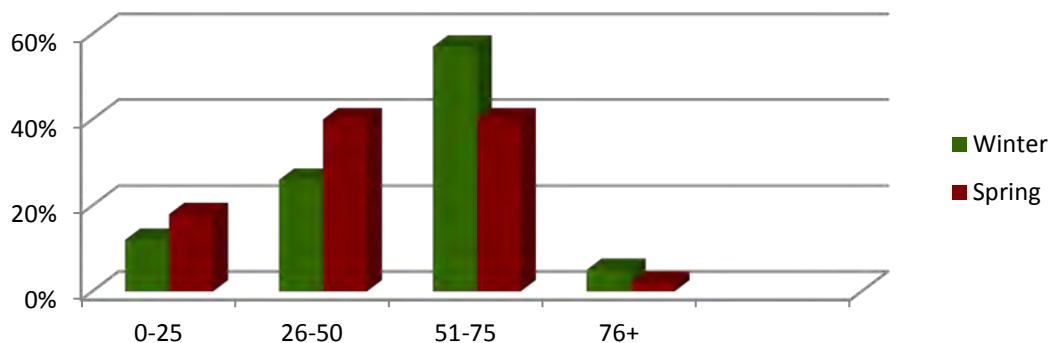
Month	Average Visitation	Share of Annual
January	112,508	11.7%
February	119,872	12.5%
March	127,502	13.3%
April	91,720	9.6%
May	65,595	6.8%
June	52,049	5.4%
July	58,128	6.1%
August	55,959	5.8%
September	44,588	4.6%
October	56,579	5.9%
November	74,313	7.7%
December	101,507	10.6%
Annual	960,319	100%

Source: National Park Service

Visitor Demographics

A 2008 visitor survey ("Everglades National Park Visitor Study: Winter and Spring 2008") found that 57% of winter visitors were between 51 and 75 years old, 26% were between 26 and 50, 12% were 25 years or younger, and 5% were 76 years or older. The numbers were similar for spring visitors: 40% were between 51 and 75, 40% were between 26 and 50, 18% were 25 or younger, and 2% were 76 or older.



Exhibit 19. Age Distribution of Everglades National Park Visitors

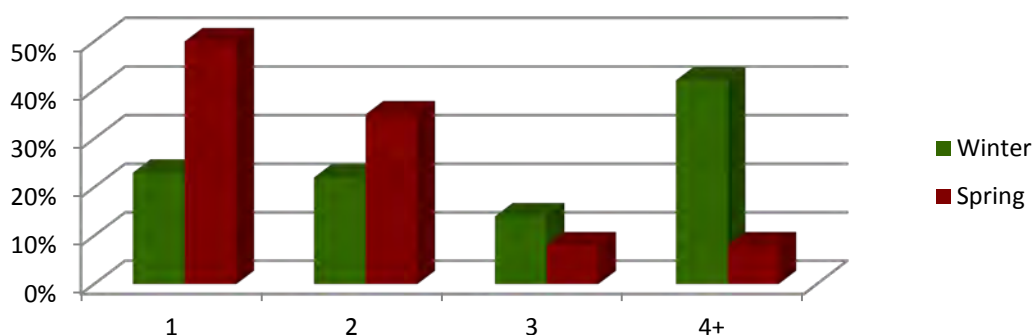
Source: NPS 2008 Visitor Survey

Given that around half of Everglades visitors are over age 50, the Concessioner will want to offer service levels, amenities, and products that appeal to this demographic, while also considering how to attract younger visitors, perhaps through targeted family programs or more active adventures.

Overnight Stays

According to both the winter and spring surveys in the 2008 visitor study, 66% of visitor groups stayed overnight away from home within Everglades National Park or the surrounding area when they visited the Park.

Of those groups, according to the winter survey, 42% stayed 4 nights or more away from home, 14% stayed 3 nights, 22% stayed 2 nights, and 23% stayed one night. In the spring, the average number of nights away from home was lower. The next exhibit summarizes this data. Since the only option for overnight stays within the Park at present is in campgrounds, visitors seeking hotel or motel lodging accommodations stay outside Park boundaries in Florida City, Homestead, Everglades City, or other cities and towns near Park entrances.

Exhibit 20. Overnight Stays in the Everglades Area (Number of Nights)

Source: NPS 2008 Visitor Survey

The fact that many visitor groups stay multiple nights in the Everglades area indicates a demand for an in-Park lodging option. The historical concession lodging data up to 2005 also indicates high levels of demand for in-Park lodging.

Visitor Origins

According to the 2008 visitor survey (combined winter and spring results), U.S. visitors comprised 72% of visitation to Everglades National Park, while international visitors accounted for 28%.

Exhibit 21. Visitation by Region of Origin

Region	Share of Visitation (Winter and Spring 2008)
Florida	25%
Netherlands	6%
Germany	6%
United Kingdom	4%
Canada	4%
Michigan	4%
Pennsylvania	4%
France	3%
New York	3%
California	3%
Illinois	2%
Ohio	2%
Massachusetts	2%
All Other States and Countries	32%
Total	100%

Source: NPS 2008 Visitor Survey

MARKET OVERVIEW

South Florida Tourism

Data from VISIT FLORIDA, the non-profit corporation for the state's Commission on Tourism, shows that the total number of visitors to the state increased from 72.8 million in 2000 to 91.5 million in 2012, a 26% increase over the period, or an average annual increase of 1.9% per year. The number of overseas visitors increased by 73% over the same period (from 6.0 million to 10.4 million), while the number of Canadian visitors increased by 80% (from 2.0 to 3.6 million). Exhibit 23 summarizes this data.

Exhibit 23. Florida Historic Visitor Numbers (millions)

	Domestic	Overseas	Canadian	Total
2000	64.7	6.0	2.0	72.8
2001	62.3	5.3	1.9	69.5
2002	67.9	4.4	1.6	73.9
2003	68.7	4.2	1.7	74.6
2004	73.4	4.4	1.9	79.7
2005	77.2	4.4	2.0	83.6
2006	77.6	4.1	2.1	83.9
2007	77.3	4.7	2.5	84.5
2008	76.1	5.2	2.9	84.2
2009	71.2	7.0	2.6	80.9
2010	71.2	8.0	3.1	82.3
2011	74.7	9.3	3.3	87.3
2012	77.6	10.4	3.6	91.5

Source: VISIT FLORIDA Research



The total number of visitors declined in 2008 and 2009 after reaching 84.5 million in 2007. Part of the decline in 2009 was due to a change in counting methodology, but it also reflects reduced travel demand due to the global economic slowdown. The increase from 80.9 million visitors in 2009 to a record 91.5 million visitors in 2012 was due primarily to increases in the number of overseas and Canadian visitors.

Exhibit 24 presents data on total tourism spending in Florida. It provides an aggregate indicator of the overall trend in the tourism industry in the state.

Exhibit 24. Total Tourism Spending in Florida (billions)

	Spending	Change
2000	\$50.9	
2001	\$50.8	-0.2%
2002	\$51.1	0.6%
2003	\$51.5	0.8%
2004	\$57.1	10.9%
2005	\$62.0	8.6%
2006	\$65.0	4.8%
2007	\$65.5	0.8%
2008	\$65.2	-0.5%
2009	\$60.9	-6.6%
2010	\$62.7	3.0%
2011	\$67.2	7.2%
2012	\$71.8	6.8%

Source: VISIT FLORIDA Research

Total spending increased from \$50.9 million in 2000 to \$71.8 million in 2012, an increase of 41.1% over the period, or an average of 2.9% per year. As with the state visitation data, spending grew through 2007 and declined in 2008 and 2009 before increasing over the past three years.

Data on arrivals to Miami International Airport provide an indicator of travel specifically to south Florida. Domestic arrivals increased by 15.7% between 2006 and 2013, or an average of 2.1% per year. International arrivals increased much more significantly over the period, by 37.9% between 2006 and 2013, or 4.7% per year. Although domestic arrivals fell slightly between 2007 and 2009, international arrivals actually increased during that recessionary period. Exhibit 25 summarizes this data.

Exhibit 25. Miami International Airport Passengers (Arrivals)

	Domestic	% Change	International	% Change
2006	8,811,650		7,455,498	
2007	9,025,732	2.4%	7,863,890	5.5%
2008	8,892,542	-1.5%	8,149,108	3.6%
2009	8,961,413	0.8%	8,057,475	-1.1%
2010	9,432,074	5.3%	8,552,895	6.1%
2011	9,972,896	5.7%	9,283,867	8.5%
2012	10,066,753	0.9%	9,774,878	5.3%
2013	10,196,660	1.3%	10,284,812	5.2%

Source: Miami International Airport

Local Market Area—Lodging Competition

Exhibit 26 lists several properties that offer temporary, overnight lodging in the Florida City-Homestead area nearest to Flamingo. The list includes properties that report occupancy and rate data to Smith Travel Research.



Exhibit 26. Lodging Properties in Homestead and Florida City

Property Name	Location	Number of Rooms
Days Inn Homestead	Homestead	100
Hampton Inn Suites Miami South Homestead	Homestead	126
Travelodge Florida City	Florida City	88
Econo Lodge Florida City	Florida City	42
Super 8 Florida City Homestead Area	Florida City	52
Holiday Inn Express & Suites FL City Gateway To Keys	Homestead	105
Comfort Inn Florida City	Florida City	124
Ramada Florida City East Palm	Florida City	123
Best Western Gateway To The Keys	Florida City	114
Knights Inn Florida City Homestead	Florida City	48
Courtyard Marriott	Homestead	100

Source: Smith Travel Research

Based on historic ADR data from the Flamingo Lodge within the Park, visitors place a premium on the in-Park location and unique experience available at Flamingo. In 2003, ADR at Flamingo Lodge was 70% higher than the ADR reported by a sample of properties outside the Park listed in Exhibit 26.

Exhibit 27 presents average annual occupancy rates for the lodging properties in the Smith Travel Research sample (Exhibit 26) over the 2006-2011 period. Exhibit 27 shows that occupancy fell in 2008 and 2009, but rebounded in 2010 and 2011.

Exhibit 27. Florida City-Homestead Area Occupancy Rates, 2006-2011

Year	Occupancy Rate
2006	63.6%
2007	61.8%
2008	56.6%
2009	50.8%
2010	57.3%
2011	63.3%

Source: Smith Travel Research

Demand for in-Park Flamingo lodging may be relatively immune to these changes in lodging capacity outside of the Park. Typically, visitors seeking a National Park experience first attempt to secure accommodations inside the Park, and then seek accommodations in gateway communities outside of the Park when in-Park facilities are not available.

There are a number of hotels, motels, and other types of lodging establishments in the Upper Keys that offer an experience comparable to Flamingo (on or near the coast, and geared toward the leisure traveler) than the lodging options in Homestead and Florida City. Exhibit 28 summarizes 2012 rates charged by some hotels in the Keys, particularly in Key Largo and Islamorada, which are closest to Flamingo. In addition to the more localized establishments in this exhibit, there are also several chain hotels in the area (Hampton Inn, Courtyard by Marriott, Holiday Inn, etc.).



Exhibit 28. Partial List of Lodging Establishments in the Upper Keys

Property Name	Location	Rates (2012)
Coconut Palm Inn	Key Largo	\$156-\$201
Rock Reef Resort	Key Largo	\$140-\$201
Marina Del Mar Resort	Key Largo	\$133-\$180
Seafarer Resort	Key Largo	\$85-\$155
Largo Lodge	Key Largo	\$100-\$195
Sunset Cove Beach Resort	Key Largo	\$158-\$169
Atlantic Bay Resort	Tavernier	\$109-\$287
Island Bay Resort	Tavernier	\$149-\$358
Islander Resort	Islamorada	\$156-\$266
Chesapeake Beach Resort	Islamorada	\$198-\$288
La Siesta Resort & Marina	Islamorada	\$167-\$268
Postcard Inn Beach Resort	Islamorada	\$162-\$272
Ragged Edge Resort & Marina	Islamorada	\$104-\$169
Pines and Palms Resort	Islamorada	\$143-\$474
La Jolla Resort	Islamorada	\$79-\$299

Source: National Park Service

Boat Tours

Boat tour rates currently charged by the Existing Concessioner at Flamingo are in line with rates for boat tours of similar content and duration in the region. Exhibit 29 provides summaries of some other boat tours offered in the area.

Exhibit 29. Boat Tours in the Local Market Area

	Max. Passengers	Tour Length	Adult Price	Child Price
Pennekamp State Park Glass Bottom Boat	130	2.5 hours	\$24	\$17
Key Largo Princess	129	2 hours	\$30	\$17
Caribbean Watersports	6	2 hours	\$60	\$45
Key Largo Boat Tours	35	3 hours	\$32	\$24

Source: National Park Service

The concessioner at John Pennekamp State Park offers glass bottom boat tours on a 65' catamaran three times daily. Tours last 2.5 hours and feature views of the coral reefs on the ocean side of Key Largo.

A similar glass bottom tour is offered by the *Key Largo Princess*, a 70' catamaran that departs from the Holiday Inn dock at mile marker 100 in Key Largo.

Caribbean Watersports offers an "Everglades Enviro-Tour" of Florida Bay on a rigid inflatable zodiac with a maximum of six passengers.

Key Largo Boat Tours operates a 45' Corinthian, similar to the boats used by the Existing Concessioner and now operating at Flamingo. This three-hour tour of Florida Bay features visits to sites within Everglades National Park, including a stop for swimming.

Campgrounds

There are five campgrounds within 15 miles of the Royal Palm entrance to the Park, all of which are located in Florida City or Homestead and comprise a significant share of the regional supply of campsites. Camping



is also available at state parks in the Keys, further from the Park. Summary information concerning the local campgrounds appears in the following table.

Exhibit 30. Summary of Local Area Campgrounds

Campground	No. of Sites	Nightly Rates	Amenities
Boardwalk RV Resort, Homestead	Tent: None RV: 137	RV: \$40-\$53	Full/partial hook ups, restroom/shower facilities, laundry, community center, swimming pool, fitness facility, picnic area
Southern Comfort RV Resort, Florida City	Tent: 40-50 RV: 350	RV: \$44 Tent: \$28	Full/partial hook-ups, swimming pool, bar, laundry, picnic area
Gold Coaster Mobile Home and RV Resort, Homestead	RV: 525 Tent: None	RV: \$50-\$66	Full/partial hook-ups, restroom/shower facilities, laundry, swimming pool, laundry, picnic area
Florida City Camp Site and RV Park, Florida City	RV: 310 Tent: 50	Tent: \$25 RV: \$30	Full/partial hook ups, restroom/shower facilities, laundry, picnic area
Everglades Hostel, Florida City	Tent: 9	Tent: \$18	Laundry/shower facilities, picnic area

Source: National Park Service

The majority of these locations cater predominantly to RV campers (although some also provide tent camping) and offer a far wider range of amenities and services than what is supplied at the Park campgrounds. Typically, amenities at these alternative sites include full or partial utility hook-ups, picnic tables and grills, laundry facilities, restrooms and showers, wireless internet, and cable TV. Many also provide additional amenities, such as swimming pools and fitness centers. All of these campgrounds are privately operated, except the Florida City Camp Site and RV Park, which is managed by Florida City.

These campgrounds operate year-round, although peak demand typically occurs from January through March, with campground occupancy ranging between 90% and 100% on weekends (Friday, Saturday and Sunday) and between 80% and 90% on weekdays. The shoulder months are November, December, April and May, with the slowest season occurring during the summer. During the summer period, occupancy falls to 30% to 50%.

During the winter, many of the RV visitors using the campsites listed above are middle-aged or senior citizen couples traveling from colder climates, who are often on prolonged trips. Over 50% of these types of visitors are repeat customers who come and stay each year at their favorite campground, either as the prime destination or as one of several stops during their vacation. Almost all visit Everglades National Park during their stay, but prefer to camp outside of the Park due to the wider range of amenities offered. The period between mid-April and mid-December generally attracts more locals for both types of camping.

Demand at these campgrounds has remained relatively constant over the last five years, with only minor impacts to their business associated with the economic downturn. In fact, several noted small to moderate increases in demand (ranging from 5% to 15%) in recent years.

Other Services

Canoe, kayak, skiff, houseboat and bicycle rental are offered outside of the Park by providers in Florida City and the Florida Keys. There are a number of food and beverage and retail outlets in these areas as well, although none are considered direct competition to Flamingo because of its unique location within the Park.



PREFERRED OFFEROR DETERMINATION

The Service has determined, pursuant to 36 C.F.R. Part 51, there is no “preferred offeror” eligible to exercise a right of preference for the award of the Draft Contract.

SITE VISIT

A one-day site visit is scheduled on the date listed on the inside front cover of this Prospectus. If you intend on attending the site visit and would like more information, please contact Bill Stevens at the following address, phone number, or e-mail:

Attn: Bill Stevens, Commercial Services
National Park Service, Southeast Regional Office
100 Alabama St, SW, Bldg. 1924, 5th Floor
Atlanta, GA 30303
Phone: (404) 507-5636
E-Mail: Bill_G_Stevens@nps.gov

The site visit will be an opportunity for all interested parties to get an overview of the proposed concession operations areas, along with a tour of common use and Concession Facilities associated with the Draft Contract.

